

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



**CORRECTED
FISCAL NOTE**

HB 985 - SB 921

March 19, 2009

SUMMARY OF BILL: Removes requirement that antique motor vehicles displaying antique license plates be driven only on Saturdays or Sundays, thus allowing use for general transportation.

ESTIMATED FISCAL IMPACT:

On March 9, 2009, we issued a fiscal note for this bill indicating a *decrease to state revenue of not significant, a decrease to state expenditures of not significant, a decrease to local government revenue of not significant, and a decrease to local government expenditures of not significant.* Based on additional information obtained from the Department of Environment and Conservation, the fiscal impact of this bill is estimated as follows:

(CORRECTED)

Increase State Revenue –

\$18,800/FY09-10/General Fund

Decrease State Revenue –

\$4,700/Recurring/Environment and Conservation

\$56,300/FY10-11 and Subsequent Years/General Fund

State Expenditures – Net Impact - Not Significant

Decrease Local Revenue – \$800/Recurring

Local Expenditures – Net Impact - Not Significant

Assumptions:

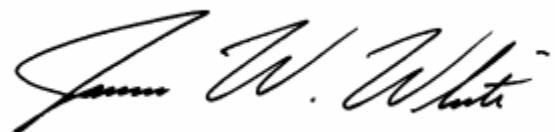
- This bill is not expected to impact the operations of the Title and Registration Division of the Department of Revenue or county clerk offices across the state.
- There could be a reduction of citations issued for driving such antique motor vehicles on regular weekdays. Based on information received

from the Department of Safety, any associated reduction of revenue that would be derived from fines or any reduction of expenditures from processing fewer citations is considered to be not significant.

- According to the Department of Environment and Conservation (E&C), this bill will incentivize certain individuals to obtain antique motor vehicle registrations. By allowing for general transportation use, individuals who currently drive a vehicle 25 years of age or older for general transportation could decide to obtain antique motor vehicle registrations in lieu of regular registrations. Doing so will allow such individuals to avoid annual emissions testing on such vehicles and to avoid annual registration fees.
- According to E&C, there are at least 12,000 vehicles that currently undergo emissions testing that are 25 years or older.
- Twenty-five percent (3,000) pursue antique motor vehicle registrations.
- The average emissions testing fee is estimated to be \$9.50; the state retains \$1.55 of each fee (retained by E&C for air pollution control); counties retain \$0.25 of each fee; the remainder is allocated for funding the emissions testing program.
- The recurring decrease to state revenue attributable to fewer emissions fees is estimated to be \$4,700 per year ($3,000 \times \$1.55 = \$4,650$). This would be a decrease of revenue to E&C.
- The recurring decrease to local government revenue attributable to fewer emissions fees is estimated to be \$800 per year ($3,000 \times \$0.25 = \750).
- Pursuant to Tenn. Code Ann. § 55-4-111(a)(1), the fee for registering an antique motor vehicle is a one-time fee of \$25.00; the fee for registering a regular passenger motor vehicle is \$18.75 per year.
- There will be an increase of state revenue in FY09-10 attributable to registration fees estimated to be \$18,800 [$3,000 \times (\$25.00 - \$18.75) = \$18,750$]. This would be an increase to the General Fund.
- Beginning in FY10-11, there would be a recurring decrease of state revenue attributable to fewer registration fees for regular passenger motor vehicles estimated to be \$56,300 per year. ($3,000 \times \$18.75 = \$56,250$). This would be a recurring decrease to the General Fund.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

/rnc